

**BRIGHAM CITY CORPORATION
PUBLIC UTILITY ADVISORY BOARD**
For Wednesday, March 16, 2005

Present: Jon Adams, Council Member
David Hacking, Chair
Dennis Fife, Vice-Chair
John Gunderson, Board Member
Art Uken, Board Member
Kent Jones, Jones & Associates

Willard City Delegation:
Jean Loveland, Mayor
Judy Loveland, Council Member
Scott Archibald, Sunrise Engineer

Brigham City Staff:
Blair Blonquist, Superintendent
Water Department
Dave Coates, Superintendent
Waste Treatment

Excused: Bruce Leonard, Director
Public Works
Brad Barber, Board Member
John Parson, Board Member

Meeting was called to order at 7pm

A motion was made by Dennis Fife to approve the minutes, Second by Art Uken, motion passed unanimously.

Chairman Hacking invited the Willard delegation to approach the table.

Mr. Archibald, from Sunrise Engineering, stated that he appreciated the opportunity to be here this evening representing the Willard Special Service District of which Mayor Jean Loveland is Chair and Council Member Judy Loveland is a Board Member.

The district has undertaken a facility study to look at sewerage the City limits of Willard City. Within that facility plan we are looking at a couple of different options as far as treating the waste after it is collected. One would be to construct their own facility, the other to pump into Brigham City or pump to Central Weber. Mr. Archibald stated Willard sits right in the middle of connecting by Smith & Edwards and bringing it into Brigham City down below 600 North, which is less than a 1000 feet difference. What it comes down to is, what are the impacts financially and what would be the monthly rates imposed by those treatment facilities to treat and handle their waste. Is there upsizing of lines or additional capacity that could be just purchased or used?

Mr. Archibald explained when he was in front of the Council earlier this month we proposed two ideas. One idea would be to become a participant and owner in the treatment plant buy some capacity in the plant and have a joint Board or group manage the treatment of it. The other option would be to be more of a customer whereas Brigham City would continue all maintenance and costs and have some charge per 1000 gallons or a monthly flat rate. He said we are here to work through some issues and options. Mr. Archibald stated as we look at it there are 560

connections in Willard and it could be a financial asset to Brigham City. We are willing to pay our way, but are looking for consideration in making our overall project more palpable. He said this will come down to a financial decision.

Mr. Archibald said we gave a sheet to the Mayor and Council last week. He said basically right now we would be looking at an impact of .17 to .2mgd (million gallons per day) you are using 1.6mgd right now and you have a capacity of 4mgd.

Council Member Adams stated he understood that Ms. Crockett sent out information to the Board. He said he thinks the City Council wants the Boards' reaction to this. Mr. Coates will give us a break down of treatment costs, capacity, availability, etc. Mr. Jones will supply information on what the impact would have and some options we have. If there were a buy in how that would be handled. There are many ways to accomplish this.

Council Member said we would need information regarding flows. Loadings in actual pounds of Biological Oxygen Demand and Total Suspended Solids and any season type impact on us. Mr. Archibald stated Flying J would be the biggest impact.

Mayor Loveland said she has been meeting with the Perry Mayor and Council. Obviously we have to go through Perry to get there. She said the trunk line is about on 800 West. Mayor Loveland said it is actually 200 West for Willard. She said Willard City has right of way to run a trunk line through this area.

Mr. Jones stated it seemed to him that the connection point they were talking about would be along the freeway and up. Mayor Loveland said that was before we found we had that right of way all the way through. Mr. Jones said you would come along the tracks and then come over. Mr. Archibald said it depends on easements. It might be more financially beneficial to come along where they already have the easements and then back.

Mr. Uken asked how the sewage is treated now. Mayor Loveland stated entirely septic. Mr. Fife asked would it be mandatory for everyone to be connected. Mayor Loveland stated everybody within 300 feet.

Mayor Loveland provided a map for the members to look at indicating the areas they were speaking of. Mr. Jones said it would be shorter if we connected by WalMart. Mr. Coates said for the future it would be better if they came and connected to the 27" line. Mr. Jones said we do not need to upgrade that area.

Council Member Adams said with Perry and South Willard looking at coming into the line it changes the whole scenario. Mr. Archibald said they are not participating so it becomes a balancing act for us. Mayor Loveland said their Council Member can present this to their Council and hopefully we will get an answer from Perry soon.

Council Member Adams said we asked Willard what their needs would be and what their build out would be, but it did not include South Perry. Mr. Uken asked, suppose we hooked up with

Willard, many are on septic tanks and would take time to connect. Mr. Archibald said we would do a large capital improvement project which would then bring in all 560 at once.

Council Adams said, the fact is, we need to look at these impacts. So we decide this is to our benefit and Willard can do a buy in or be an owner participant and then impact fees can pay for new growth after that.

Mr. Fife stated we can more than double our capacity. Council Member Adams said if you have the capacity your residents pay for it, how do you replace it? The residents have already paid for this. We have flexibility on how long it takes to pay this off. But if the scenario occurs that we have discussed it pushes the capital improvements on the plant. How do you pay for this? How do we accomplish this fairly?

Mr. Gunderson said are they having capacity issues at the Weber plant. Mr. Archibald said not in the plant but in the lines and lift stations. Council Member Adams said Central Weber is the third largest plant in the State and their capacity is around 50mgd. The problem they have is when they come in what they have anticipated for line size has gone away.

Mr. Jones said the interesting fact about our Impact Fees is a component for buy in for the treatment plant for the new people who are coming to Brigham City. If you think about an equation or number if we add this theoretically the impact fee for Brigham City residents should go down. We really need to know where we are headed. Mr. Fife said I don't see any negative side to this. What are the negatives?

Council Member Adams replied the dilemma is to do this right we have potential players who will be in a no choice situation on coming in, but who will not play ball right now. To make a decision that would be fair to Willard we run the risk of putting in a pipe that is not sized properly. Mayor Loveland said we will put in the pipe. Council Member Adams said but you won't put in a size of pipe to accommodate South Willard / Perry. Mayor Loveland said if we get to the point where we are putting in the pipe we will then go to them and say we are putting the pipe in, are you willing to help us with the upsizing of the line.

Mr. Jones said you can go up one pipe size and double the capacity. It would be a tragedy not to not plan for this, but these cities should pay for the oversize. Otherwise you plan for the connect and make them pay a major impact fee. Mayor Loveland said we have already told them this. Council Member Adams said or they go south and bear that cost.

Mayor Loveland said Willard City does not want a Waste Treatment plant. Our idea is to maybe have a couple of members on this Board so we may have some type of decision input if the City chooses this option. Council Member Adams said we would have to look at that.

Council Member Adams said we could do this to benefit both of us, as Mr. Fife said. I can see the advantage to the region. He said Brigham City had to step up years ago and put in a sophisticated treatment plant. If we all agree economics are going to drive it sooner or later these other parties will come in. This is our dilemma when the time comes can we make the cost improvements.

Mr. Coates stated he was asked to present budget numbers to the Board including Operation & Maintenance and Revenues. Mr. Coates then went over the budget numbers with the Board.

Mr. Coates said I would like to say that I came to the PUAB for a rate increase in the sewer fees a few years ago. He said currently with the numbers we are currently under it costs \$4.28 per 1000 gallons to treat. That is the bottom line on the budget. This includes the bond costs, capital improvements, everything. If you look at the revenue we receive from Brigham City it is \$3.13 per 1000 gallons. This includes the rate increase, which was approved 2-3 years ago. This leaves \$1.15 difference, which has been subsidized by Electric Utility, Water Utility & Refuse. This year the bond will be paid off and therefore those costs will go down because we no longer have to pay for the bond.

Council Member Adams said we need to base this agreement on flow and strength. He said your monthly charge is based on flow and strength. Mr. Jones said there are some complex issues here. We need to be consistent. Mr. Jones said it might be well to hire an independent financial advisor and say we are interested in having communities join this system. Tell us what the appropriate buy in is and what are your recommendations on the arrangements for that. This is my suggestion to the Board. Mr. Uken asked how this would be financed. Mr. Jones said I believe it would have to be the City. Or, we could have somebody from inside the City handle it. Mr. Jones said it sounds like tonight we are not certain on our numbers with Mr. Coates' budget.

Chairman Hacking said for tonight we would be looking, as far as this Board is concerned because we cannot see a negative in this, a motion for Willard wanting to come as favorable but it should be studied further. Also upon our Engineers recommendation we should have somebody come in and set some real time numbers so both sides can look at it in real time.

Mr. Gunderson said it should not just be the real numbers, but the future numbers also. Mr. Jones stated this would be part of the study now and in the future. Council Member Adams said if we have a plan that is flexible enough and the growth pattern changes we know how we will handle it. Mr. Gunderson said Perry is going to get saturated with what is their capacity.

Mr. Fife said we have over 5000 connections and they are talking 500 and the discussion sounds complicated in the sense that you want to be fair, but not setting a rate structure. He said we don't need an outside firm; we have the people internally to do this.

Council Member Adams said I agree with Mr. Gunderson they are getting saturated. The growth we have traditionally seen with Brigham City, if we had industrial commercial growth come in, we would have to have a way to capture that. We need this equation in the methodology. Mr. Gunderson said Perry Point should be included in the study.

Mr. Jones said what is the appropriate buy in? How do you get your arms around this and make it equitable. You will have the initial impact and then a plan as each one comes on. Mayor Loveland said are you looking at a buy in fee as well as an impact. Mr. Jones said they are one in the same.

Mayor Loveland said the City Council asked you for a recommendation for the next City Council meeting on March 31st.

Council Member Adams said as a council member I would want to know how the Board feels about it. The particulars will have to be worked out. Mayor Loveland asked if they had a time frame on this. She said Willard City right now is looking at sewer. Mr. Archibald said four to six months will not meet our time frame. Council Member Adams said for you to stay on track when you would need the numbers. Mayor Loveland said we are planning on having our public hearings and having our bonding by October. Council Member Adams asked is a month realistic for us. Mayor Loveland said she thought it would be.

Mr. Uken said we have the expertise to do it internally. Mr. Gunderson said what if Willard decides to go south, that's ok we still have the information for the other surrounding areas. Council Member Adams said we can do a study with all the factors I think we can come up with some pretty close numbers. Mr. Archibald said we are looking at publishing in a month to two months.

A motion was made by Mr. Fife that we go forward with the recommendation that this should be pursued to allow Willard to connect with a further study to determine costs, second by Mr. Uken, motion passed unanimously.

Meeting adjourned at 8:10 p.m.